

THE IDEA VILLAGE, INC.

FINANCIAL STATEMENTS

June 30, 2014 and 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 17 2014

THE IDEA VILLAGE, INC.
NEW ORLEANS, LOUISIANA

CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-14
Government Auditing Standards Reports	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .	15-16

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Idea Village, Inc.
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of The Idea Village, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Idea Village, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 17, 2014 on our consideration of The Idea Village, Inc.'s internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Idea Village, Inc.'s internal control over financial reporting and compliance.

October 17, 2014

Wegman Doyle + Company

THE IDEA VILLAGE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 507,700	\$ 244,574
Pledges receivable	19,700	60,100
Grants receivable	120,248	512,615
Prepaid expenses	<u>1,267</u>	<u>1,724</u>
Total current assets	648,915	819,013
Property and equipment, at cost less accumulated depreciation	271,754	287,221
Deposits	<u>5,551</u>	<u>5,551</u>
Total assets	<u>\$ 926,220</u>	<u>\$ 1,111,785</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 12,199	\$ 5,653
Other current liabilities	<u>3,489</u>	<u>925</u>
Total current liabilities	<u>15,688</u>	<u>6,578</u>
NET ASSETS		
Net assets		
Unrestricted	882,384	1,085,090
Temporarily restricted	<u>28,148</u>	<u>20,117</u>
Total net assets	<u>910,532</u>	<u>1,105,207</u>
Total liabilities and net assets	<u>\$ 926,220</u>	<u>\$ 1,111,785</u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Contributions	\$ 71,589	\$ -	\$ 71,589
Donations	1,322,872	376,500	1,699,372
Other revenue	96	-	96
Net assets released from restrictions	<u>368,469</u>	<u>(368,469)</u>	<u>-</u>
Total revenues	<u>1,763,026</u>	<u>8,031</u>	<u>1,771,057</u>
Expenses			
Program services			
Special projects	248,957	-	248,957
Fundraising	87,045	-	87,045
Supporting services			
Core activities	1,256,923	-	1,256,923
General and administrative	<u>372,807</u>	<u>-</u>	<u>372,807</u>
Total expenses	<u>1,965,732</u>	<u>-</u>	<u>1,965,732</u>
Change in net assets	(202,706)	8,031	(194,675)
Net assets			
Beginning of year	<u>1,085,090</u>	<u>20,117</u>	<u>1,105,207</u>
End of year	<u><u>\$ 882,384</u></u>	<u><u>\$ 28,148</u></u>	<u><u>\$ 910,532</u></u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Contributions	\$ 63,951	\$ -	\$ 63,951
Donations	1,758,973	244,900	2,003,873
Other revenue	2,800	-	2,800
Net assets released from restrictions	<u>267,032</u>	<u>(267,032)</u>	<u>-</u>
Total revenues	<u>2,092,756</u>	<u>(22,132)</u>	<u>2,070,624</u>
Expenses			
Program services			
Special projects	304,370	-	304,370
Fundraising	117,059	-	117,059
Supporting services			
Core activities	1,210,451	-	1,210,451
General and administrative	<u>351,134</u>	<u>-</u>	<u>351,134</u>
Total expenses	<u>1,983,014</u>	<u>-</u>	<u>1,983,014</u>
Change in net assets	109,742	(22,132)	87,610
Net assets			
Beginning of year	<u>975,348</u>	<u>42,249</u>	<u>1,017,597</u>
End of year	<u>\$ 1,085,090</u>	<u>\$ 20,117</u>	<u>\$ 1,105,207</u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2014.

	Programming Services			General and	Total
	Special	Fundraising	Core Activities	Administrative	Expenses
	Projects				
Accounting	\$ -	\$ -	\$ -	\$ 44,020	\$ 44,020
Auto rental	-	-	9,458	-	9,458
Bank service charge	-	-	-	4,741	4,741
Computer services and supplies	-	-	1,078	7,782	8,860
Contract labor fees	-	-	172,668	10,500	183,168
Development	-	1,992	-	-	1,992
Depreciation	-	-	15,467	-	15,467
Dues and subscriptions	-	-	-	679	679
401k administration fee	-	-	-	1,180	1,180
Events expense	49,202	-	255,659	-	304,861
Grants awarded	-	-	10,000	-	10,000
Information technology	-	-	23,887	38,573	62,460
Insurance	-	-	-	49,143	49,143
In-kind expense	-	-	121,375	-	121,375
Marketing	423	1,101	53,578	7,626	62,728
Meals and entertainment	-	197	6,126	4,369	10,692
Office supplies	-	-	2,167	7,773	9,940
Other expense	-	-	230	204	434
Parking and tolls	-	-	1,234	-	1,234
Payroll service fees	-	-	-	2,904	2,904
Payroll taxes and employee benefits	9,608	9,990	56,625	30,839	107,062
Postage and delivery	-	-	-	1,276	1,276
Printing and reproduction	-	-	526	3,290	3,816
Production	-	-	19,200	-	19,200
Professional development	-	-	-	200	200
Public relations	-	-	50,375	-	50,375
Rent expense	-	-	-	69,795	69,795
Repairs and maintenance	-	-	1,400	355	1,755
Salary and wages	69,020	71,762	406,760	71,707	619,249
Travel	-	2,003	48,464	10,388	60,855
Utilities	337	-	646	197	1,180
Water challenge awards	120,367	-	-	-	120,367
Workers comp insurance	-	-	-	5,266	5,266
Total expenses	<u>\$ 248,957</u>	<u>\$ 87,045</u>	<u>\$ 1,256,923</u>	<u>\$ 372,807</u>	<u>\$ 1,965,732</u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

	Programming Services			General and	Total
	Special Projects	Fundraising	Core Activities	Administrative	Expenses
Accounting	\$ -	\$ -	\$ -	\$ 45,282	\$ 45,282
Auto rental	-	26	653	-	679
Bad debt expense	-	-	-	11,191	11,191
Bank service charge	-	-	-	4,268	4,268
Computer services and supplies	-	-	-	21,136	21,136
Contract labor fees	-	-	130,517	-	130,517
Development	-	1,735	-	-	1,735
Depreciation	-	-	18,014	-	18,014
Dues and subscriptions	-	130	1,303	285	1,718
401k administration fee	-	-	-	2,400	2,400
Events expense	105,014	-	222,742	-	327,756
Grants awarded	4,000	-	-	-	4,000
Information technology	-	-	6,993	22,422	29,415
Insurance	-	-	-	15,180	15,180
In-kind expense	-	-	75,000	-	75,000
Marketing	3,345	11,145	76,729	15,307	106,526
Meals and entertainment	-	882	2,302	1,276	4,460
Meeting	-	-	2,250	-	2,250
Office supplies	-	11	674	5,101	5,786
Other expense	234	-	1,343	343	1,920
Parking and tolls	-	-	330	-	330
Payroll service fees	-	-	-	2,918	2,918
Payroll taxes and employee benefits	5,428	9,951	54,848	10,903	81,130
Postage and delivery	-	507	-	728	1,235
Printing and reproduction	-	-	559	4,859	5,418
Production	-	-	22,100	-	22,100
Professional development	-	-	1,240	775	2,015
Public relations	-	-	22,800	-	22,800
Rent expense	3,792	6,950	39,175	13,269	63,186
Repairs and maintenance	-	-	-	1,647	1,647
Salary and wages	45,209	82,883	467,161	158,732	753,985
Telephone	-	-	88	4,165	4,253
Travel	19,079	2,839	58,673	7,445	88,036
Utilities	113	-	4,957	-	5,070
Water challenge awards	118,156	-	-	-	118,156
Workers' comp insurance	-	-	-	1,502	1,502
Total expenses	<u>\$ 304,370</u>	<u>\$ 117,059</u>	<u>\$ 1,210,451</u>	<u>\$ 351,134</u>	<u>\$ 1,983,014</u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets:	\$ (194,675)	\$ 87,610
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	15,467	18,014
(Increase) decrease in operating assets:		
Receivables	432,767	(370,905)
Prepaid expenses	457	4,495
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	6,546	(31,248)
Other current liabilities	2,564	-
Net cash provided (used) by operating activities	<u>263,126</u>	<u>(292,034)</u>
Net increase (decrease) in cash	263,126	(292,034)
Cash and cash equivalents at beginning of year	<u>244,574</u>	<u>536,608</u>
Cash and cash equivalents at end of year	<u><u>\$ 507,700</u></u>	<u><u>\$ 244,574</u></u>

See accompanying Notes to Financial Statements.

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2014 and 2013

1) Nature of activities

The Idea Village, Inc. (the "Village") is a non-profit organization established in 2002 to generate economic development in the New Orleans region by commercializing ideas and accelerating the growth of entrepreneurial companies. The Village focuses primarily on early-stage companies, providing targeted services and access to third-party capital including venture capitalists, corporate and individual investors. The Village guides companies as to the most efficient and effective means of raising venture capital and accelerating success.

The Village has also developed a revitalization strategy to support entrepreneurs determined to rebuild their business in the New Orleans area. Its goal is to secure strong, sustainable commercial corridors that will serve as community "anchors" fueling private investments and giving residents a greater sense of confidence, ownership and participation in their neighborhoods.

2) Summary of significant accounting policies

The significant accounting policies followed by the Village are summarized as follows:

(a) Financial statement presentation

The Village's policy is to prepare its financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred.

(b) Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

(c) Cash and cash equivalents

All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

(d) Accounts receivable

Accounts are considered overdue if uncollected within ninety days of the original invoice. The Village writes off uncollectible accounts as they are identified. No allowance for uncollectible accounts has been provided, as management has evaluated the accounts and believes they are all collectible.

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2014 and 2013

2) Summary of Significant Accounting Policies (continued)

(e) Depreciation of property and equipment

Depreciation of the buildings, equipment, computers, furniture and fixtures, closing cost and leasehold improvements is provided over the estimated useful lives of the respective assets on a straight-line basis ranging from 3 to 39 years.

Property and equipment are stated at cost. Additions, renewals, and betterments that add materially to the productive capacity or extend the life of an asset are capitalized. Expenditures for maintenance and repairs, which do not extend the life of the applicable assets, are charged to expense as incurred. Upon retirement or disposal of an asset, the asset and accumulated depreciation accounts are adjusted accordingly. Any resulting gain or loss is included in the Statement of Activities.

(f) Taxes

The Village is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Village has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. The Village files Form 990 and Form 990 T tax returns in the U.S. federal jurisdiction and in various states.

The Village adopted the provisions of ASC 740, *Accounting for Uncertainty in Income Taxes*. Management of the Village believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits. With few exceptions, the Village is no longer subject to U.S. federal, state and local, or income tax examinations by tax authorities for years before 2010.

(g) Fundraising

All expenses associate with the fundraising event are expenses as incurred.

(h) Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Concentration of credit risk

Financial instruments that potentially subject the Village to concentrations of credit risk consist principally of cash deposits. The Village may at times have cash on deposit at financial institutions that is in excess of federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Village has not experienced any losses in such accounts. The Village has no policy requiring collateral or other security to support its deposits.

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2014 and 2013

2) Summary of Significant Accounting Policies (continued)

(j) Promises to give

Unconditional promises to give are recognized when the donor makes a promise to give. Conditional promises to give are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

(k) Donated services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Village.

The Village received volunteer help to provide consulting services to entrepreneurs and other donated services to assist with meeting and event expenses. The estimated value of the contributed services for the years ended June 30, 2014 and 2013 was \$121,375 and \$75,000, respectively.

(l) Donated property and equipment

Noncash donations are recorded as contributions at their fair values at the date of donations. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

(m) Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Village.

3) Restrictions on net assets

The Village operates many initiatives in the New Orleans area. The Village has several initiatives which provide services to help support entrepreneurs and to support and help grow water and water-related ventures.

Temporarily restricted net assets are available for the following initiatives:

	<u>2014</u>	<u>2013</u>
Pay it forward room	\$ 6,213	\$ -
Technology	<u>21,935</u>	<u>20,117</u>
Total temporarily restricted assets	<u>\$ 28,148</u>	<u>\$ 20,117</u>

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2014 and 2013

4) Federal financial assistance

In 2013, the Village was awarded a grant from the Delta Regional to provide direct technical assistance and consulting to entrepreneurs in the New Orleans regions. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the years ended June 30, 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Grant Receipts	\$ 50,000	\$ -
Less: Grant Expenditures	5,000	50,000
Less: Prior Year Receivable	<u>50,000</u>	<u>-</u>
Due from grant at end of year	<u>\$ 5,000</u>	<u>\$ 50,000</u>

In 2011, the Village was awarded a grant from the U.S. Department of Housing and Urban Development through the Louisiana Office of Community Development to encourage private and philanthropic investment, diversify the economy, and extend opportunities to community-based start-up and early stage business. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the years ended June 30, 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Grant Receipts	\$ 489,672	\$ 135,831
Less: Grant Expenditures	49,561	450,439
Less: Prior Year Receivable	<u>440,111</u>	<u>125,503</u>
Due from grant at end of year	<u>\$ -</u>	<u>\$ 440,111</u>

In 2011, the Village was awarded a grant from the U.S. Department of Commerce through the Louisiana Department of Economic Development to help achieve a greater degree of economic resiliency in the New Orleans economy. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the years ended June 30, 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Grant Receipts	\$ 22,504	\$ 185,110
Less: Grant Expenditures	-	160,513
Less: Prior Year Receivable	<u>22,504</u>	<u>47,101</u>
Due from grant at end of year	<u>\$ -</u>	<u>\$ 22,504</u>

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2014 and 2013

4) Federal financial assistance (continued)

In 2013, the Village was awarded a grant from the U.S. Department of Commerce through the Louisiana Department of Economic Development to help with sustaining the New Orleans Entrepreneurship Ecosystem. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended June 30, 2014 was as follows:

	<u>2014</u>
Grant Receipts	\$ 186,890
Less: Grant Expenditures	<u>302,138</u>
Due from grant at end of year	<u>\$ 115,248</u>

5) Property and equipment

Property and equipment consists of the following:

	<u>2014</u>	<u>2013</u>
Building	\$ 41,508	\$ 41,508
Computers	40,526	40,526
Furniture and fixtures	48,904	48,904
Loan closing costs	2,134	2,134
Leasehold improvements	<u>261,984</u>	<u>261,984</u>
Total costs	395,056	395,056
Less: accumulated depreciation	<u>123,302</u>	<u>107,835</u>
Property and equipment	<u>\$271,754</u>	<u>\$ 287,221</u>

6) Operating lease

The Village leases an office space. The lease expires in June 2019, unless terminated early in accordance with the lease agreement. Future minimum rental payments under the lease are as follows:

<u>Year Ending</u>		<u>Amount</u>
2015	\$	69,795
2016		70,858
2017		70,858
2018		71,910
2019		71,910

Total rent expense under the operating lease was \$69,795 and \$63,186 for the years ended June 30, 2014 and 2013, respectively.

THE IDEA VILLAGE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2014 and 2013

7) Agency transactions

The Village receives donated consulting and legal services from various businesses throughout the year. These services are then passed on to the entrepreneurs. The total amount received during 2014 and 2013 was approximately \$142,300 and \$71,000, respectively.

8) Subsequent events

Management has evaluated subsequent events through October 17, 2014, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

CLIFTON W. NEWLIN
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
The Idea Village, Inc.
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Idea Village, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Idea Village, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Idea Village, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Idea Village, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Idea Village, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

October 17, 2014

Wegman Payette & Company